

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
:
In re: : Chapter 11

SEARS HOLDINGS CORPORATION, *et al.*,¹ :
: Case No. 18-23538-rdd
Debtors. :
: (Jointly Administered)
:
-----X

**SUPPLEMENTAL DECLARATION OF TERRENCE E. ROLECEK IN SUPPORT OF
TRANSFORM HOLDCO LLC'S INITIAL SUPPLEMENTAL BRIEF IN RESPONSE TO
DEBTORS' MOTION TO (A) ENFORCE ASSET PURCHASE
AGREEMENT AND AUTOMATIC STAY AGAINST TRANSFORM
HOLDCO LLC AND (B) COMPEL TURNOVER OF ESTATE PROPERTY**

I, Terrence E. Rolecek, declare under penalty of perjury as follows:

1. I respectfully submit this supplemental declaration ("Declaration") in support of

Transform Holdco LLC's Initial Supplemental Brief in Response to Debtors' Motion to (A)

Enforce Asset Purchase Agreement and Automatic Stay Against Transform Holdco LLC and (B)

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innoval Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

*Compel Turnover of Estate Property.*² This declaration supplements the declaration I previously submitted in this matter on March 20, 2019. *Declaration of Terrence E. Rolecek in Support of Transform Holdco LLC's Response to Debtors' Motion to (A) Enforce Asset Purchase Agreement and Automatic Stay Against Transform Holdco LLC and (B) Compel Turnover of Estate Property and Reply in Further Support of Its Motion to Assign Matter to Mediation* [Docket No. 2915]. This declaration is intended to provide the Court with additional information to supplement that provided in my declaration of March 20, 2019 and should be read in conjunction with that declaration. Nothing in this Declaration or my declaration of March 20, 2019 is intended to express a view as to a matter of law which, I understand, is the province of the Court.

2. I am currently Head, Shop Your Way Financial Services at Transform Midco LLC, which is a subsidiary of Transform Holdco LLC (“Transform”). Prior to Closing, I served in the same role at Sears Holdings Corporation (“Sears”) beginning in January 2016.

3. As Head of Shop Your Way Financial Services, I am knowledgeable about and familiar with Sears’ and Transform’s business and contractual relationships with credit card companies and processors.

4. All statements in this Declaration are based upon my personal knowledge of Transform’s and the Debtors’ operations in connection with credit card companies and processors; my review of relevant documents; and my views based upon my professional experience. If called to testify, I would testify competently to each of the facts set forth in this Declaration.

² All capitalized terms used but not defined in this Declaration shall have the meaning ascribed to them in the APA.

5. At the time of Closing, Sears had credit card agreements with First Data (for Visa and MasterCard), Discover, and American Express, corresponding to the credit cards accepted at Sears stores. At the time of the Closing, each of First Data, Discover, and American Express had taken reserves as a condition of continuing to do business with Sears. Each of First Data, Discover, and American Express created those reserves based on their view that certain events triggering their right to establish reserves under the agreements each had with Sears had occurred.

First Data

The figure consists of 15 horizontal black bars. The first bar is the longest, followed by a short bar, then a series of 13 bars that are all the same length. The bars are set against a white background.

American Express

Post-Closing

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed on April 1, 2019 in Hoffman Estates, Illinois.

Respectfully submitted,



Terrence E. Rolecek